



Active Members | DECEMBER 2023

PSRS for your Benefit

PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI

Contribution Rates Hold Steady Again For 2024-2025 School Year

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PSRS/PEERS Named One of the
“Best Places to Work in Money
Management” by *Pensions &
Investments Magazine*



PUBLIC SCHOOL RETIREMENT
SYSTEM OF MISSOURI

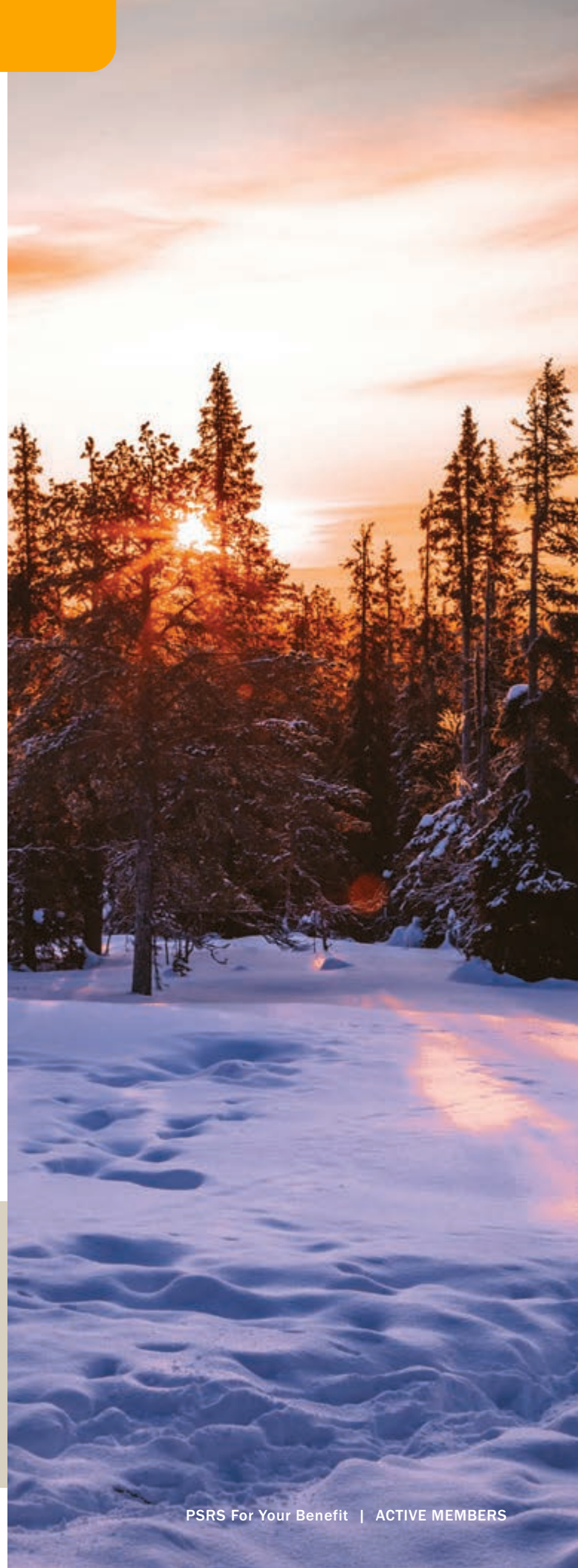
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PSRS For Your Benefit is published by the Public School and Education Employee Retirement Systems of Missouri.



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Contribution Rates Hold Steady Again for 2024-2025 School Year

At the October 30, 2023 meeting of the PSRS/PEERS Board of Trustees, the Board voted to maintain active member and employer contribution rates at their current levels for the upcoming school year. The 2024-2025 school year will run from July 1, 2024 to June 30, 2025.

Based on the recommendation of PricewaterhouseCoopers (PwC), the Systems’ actuary, PSRS contribution rates will remain as follows:

2024-2025 PSRS Contribution Rates		
Member Rate	Employer Rate	Combined Rate
14.5%	14.5%	29%

“The Board understands the impact of raising contribution rates on our active members, school districts and participating members,” stated

PSRS/PEERS Board Chair Dr. Jason Steliga. “The Board recognizes the efforts of our investment team in consistently maintaining long-term returns above our assumed rate of return that enable us to keep contribution rates steady for another year for our members.”

About Contribution Rates

Contributions are credited to your individual membership. You do not pay taxes on your contributions until you receive them back as benefits. Your contributions are always returned to you in the form of monthly benefits, or a lump-sum payment to you or your beneficiaries.

For specific information regarding the contributions you have made during your membership, log in to Web Member Services at www.psr-peers.org, or refer to your annual **Member Statement**.

Eligible Benefit Recipients to Receive 2% COLA in January 2024

At their October meeting, the Board of Trustees also voted to provide a 2% cost-of-living adjustment (COLA) for eligible benefit recipients effective January 1, 2024.

The COLA decision is based in part on the Board’s current COLA policy, which takes into consideration the increase in the Consumer Price Index for Urban Consumers (CPI-U) as determined by the U.S. Bureau of Labor Statistics for the previous fiscal year, as well as the recommendation of the Systems’ actuary, PricewaterhouseCoopers (PwC). The total increase in the CPI-U for the 12 months in fiscal year 2023 (July 1, 2022 to June 30, 2023) was 2.9692%.

According to the COLA policy, when the increase in the CPI-U during the measurement period is between 2% and 5%, a 2% COLA is given.

PwC performs an annual actuarial valuation of the Systems each year and presents it to the Board at the

October meeting. It includes a detailed look at factors that impact the funded status of the Systems. This information is studied by the Trustees and used in making financial and funding decisions.

It is the Board’s fiduciary responsibility to the Systems and members to make decisions that are consistent with maintaining the Systems’ ongoing financial health and strong funded status.

“The Board understands the financial pressures exerted upon our members during this time of high inflation. The ability to provide a COLA is in line with our mission to provide a benefit that can provide peace of mind to our membership.”

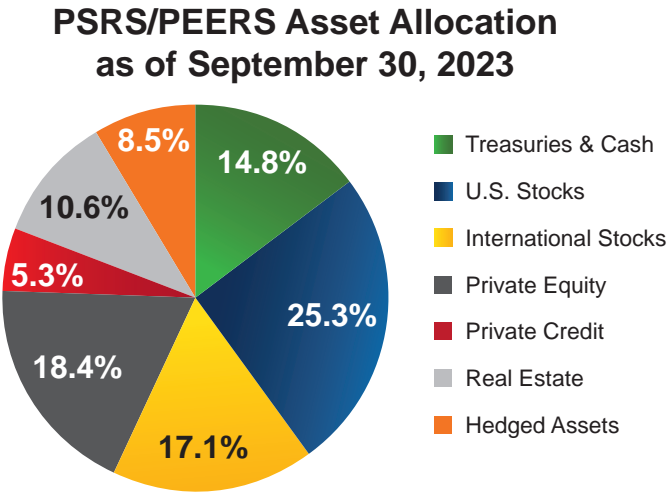
– Dr. Jason Steliga, PSRS/PEERS Board Chair

Solid, But Lower, Investment Returns in 2023

Despite higher interest rates and sticky inflation, economic growth proved resilient and global stock markets rose over the first three quarters of calendar year 2023. U.S. stocks (as measured by the S&P 500 Index) returned 13.1% for the year through September 30, 2023, while non-U.S. developed stocks (as measured by the MSCI EAFE Index) moved 7.1% higher. In contrast, interest rates increased significantly this year (due primarily to Federal Reserve intervention), as the yield on the 10-year Treasury Note moved from 3.8% at the beginning of the year to 4.6% on September 30, 2023. This increase in yield contributed to a low return of 0.3% in 2023 (year-to-date) for investors in bonds (when yields rise, bond returns fall).

As we move into the last month of 2023, the investment markets remain fragile due to the combination of continued high inflation and an aggressive Federal Reserve tasked with bringing down prices. The Federal Reserve finds itself in a difficult position, needing to lift short-term interest rates enough to curb inflation, but not so much as to trigger a recession. We would expect market returns to be volatile going forward as investors are faced with higher interest rates, elevated inflation, potential issues in the banking industry, escalating China-U.S. tensions, the continued Ukraine/Russia war, conflict in the Middle East and AI-related advances.

Our long-term goal is to provide consistent and meaningful investment returns to support the retirement benefits of our members. As a large institutional investor, we believe that we are particularly well suited to navigate upcoming markets given our ability to invest over a 30-year time horizon. The following chart illustrates the PSRS/PEERS asset allocation, which is highly diversified among several different investment classes.



The PSRS/PEERS asset allocation is balanced with a significant distribution to return-seeking assets such as stocks and private equity but also a healthy allocation to more defensive investments such as Treasury securities, cash and hedged assets. The allocation to private real estate has been particularly additive in the last several years, offering protection in a highly inflationary environment. Additionally, we are spending more time on complementary asset classes (i.e., Private Credit) as an alternative in an uncertain environment. For example, the PSRS/PEERS Private Credit portfolio returned 6.5% in calendar year 2023 (through September 30). We continue to believe it is prudent to maintain a structured and well-diversified portfolio that has an opportunity to participate if the markets move higher, but also has substantial downside protection in the event of a continued market correction.

The table on the following page indicates the investment returns for the major asset classes in the PSRS/PEERS portfolio over the last 10 years, for the period ended September 30, 2023. The 10-year returns offer a normative view of what we would expect over a long time period. Specifically, strong returns from public and private equity, modest returns (and diversification benefits) from bonds and hedged assets.

Continued on page 5

10-Year PSRS/PEERS Investment Returns (by Asset Class)	
Treasuries and Cash	0.5%
U.S. Stocks	10.6%
Hedged Assets	5.4%
Private Equity	16.9%
Real Estate	9.4%
Private Credit	8.4%
International Stocks	6.5%

The Systems’ long-term investment objective (actuarial assumption) is 7.3% per year. We will not achieve that return goal every year, but expect to meet or exceed that return over long periods of time. For example, the PSRS/PEERS year-to-date investment return for calendar year 2023 (January 1, 2023 through September 30, 2023) is approximately 4.6%. Most importantly, the total plan return of 7.8% over the last 10 years exceeds both the historical long-term investment objective (actuarial assumption) and the total plan policy benchmark return of 6.2%.

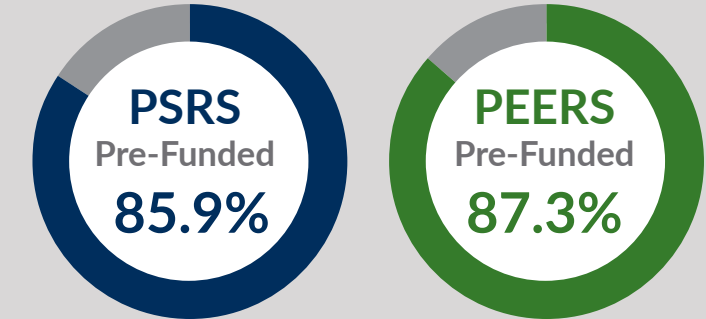
10-Year Investment Results Period Ending September 30, 2023	
PSRS/PEERS Investment Return	7.8%
PSRS/PEERS Actuarial Assumption	7.3%
Benchmark Return ¹	6.2%

The market value of invested assets for PSRS and PEERS combined was approximately \$53.5 billion on September 30, 2023, making the joint entity larger than all other public retirement plans in Missouri combined, and the 46th largest defined benefit plan in the United States. For the most recent PSRS/PEERS investment news, visit us on the web at www.psrs-peers.org.

¹ The plan policy benchmark is a standard to measure investment performance and indicates the return of the PSRS/PEERS asset allocation if passive market rates of return were achieved.

Your Retirement Plan is Strong: PSRS and PEERS Remain Well-Funded

As of June 30, 2023, PSRS was 85.9% pre-funded and PEERS was 87.3% pre-funded. That means, as of the end of our last fiscal year, PSRS/PEERS had enough assets on hand to pay more than 80% of all *present and projected future benefits* with today’s dollars. In the pension industry, this level of pre-funding qualifies PSRS and PEERS as “healthy” funds.



PSRS/PEERS’ funding comes from three sources, member contributions, employer contributions and investment earnings. Investment earnings are the primary source of funding for PSRS/PEERS benefits, providing over 60% of total funding.

25-Year-Average



Note: The 19¢ includes member contributions and service purchases.

Take Advantage of PSRS Online Retirement Education

Our member education team provides a variety of free online educational programs to help our members learn about their membership and benefits. No matter what your age or career stage, we have a program that can benefit you with your retirement planning and help you get the most from your membership.

Log in to Web Member Services at www.psrs-peers.org to view and register for an upcoming virtual Retirement Ready Seminar or webinar. You can also register by calling us at (800) 392-6848.

Virtual Retirement Ready Seminars

Our Retirement Ready seminars are designed to be of most benefit to members who are within five years of retirement, but all members are welcome to join us for an in-depth review that will help you prepare to retire. All seminars are conducted by knowledgeable benefits professionals who discuss retirement eligibility, benefit plan options, income tax considerations and much more.

Upcoming Virtual Retirement Ready Seminars		
Date	Start Time	Closing Date to Register
January 4, 2024	5 p.m.	December 20, 2023
January 10, 2024	5 p.m.	December 26, 2023
January 18, 2024	5 p.m.	January 3, 2024
January 23, 2024	5 p.m.	January 8, 2024
February 7, 2024	5 p.m.	January 23, 2024
February 15, 2024	5 p.m.	January 31, 2024
February 21, 2024	5 p.m.	February 6, 2024
February 27, 2024	5 p.m.	February 12, 2024



RetireSmart Retirement Ready

Webinars

In addition to seminars, a variety of retirement-related information is available to you by attending a webinar.



Featured Topic Webinars

Members at all career stages can benefit from attending our Featured Topic Webinars. Topics include purchasing service, filing for retirement and understanding your *Benefit Estimate*.

Upcoming Featured Topic Webinar

Applying for Retirement with PSRS/PEERS
Monday, December 18, 2023 – 11 a.m.



Real Talk Webinars

For members who are short on time, Real Talk Webinars are a great option. Real Talk Webinars are 15- to 20-minute mini-webinars that focus on “hot” topics often asked about by our members and include an opportunity to ask questions.

Upcoming Real Talk Webinar

2023 Legislative Changes
Monday, December 18, 2023 – 9:30 a.m.

Did You Review Your 2023 *Member Statement*?

In November, your annual *Member Statement* was made available. If you have a verified email address on record with PSRS and have a Web Member Services account, you received an email with a hyperlink you can use to access your statement online. Otherwise, you received a paper copy by mail.

If you haven’t taken a look at your newest statement, we recommend that you do so.

Your *Member Statement* includes a wealth of information about your membership, including:

- Estimated future service retirement benefits
- Your salaries and contributions
- A list of your years of employment and employers
- Details of the service you have earned
- Your current beneficiary designation
- Information on possible disability or survivor benefits
- A look at any service purchases you may have

When reviewing your *Member Statement*, please take particular note of the following:

- **Are your salaries, service and employers shown correctly?** If not, contact your employer so corrections can be made.
- **Is your contact information correct?** If not, update your address, phone number or email address in Web Member Services by clicking the *Update My Contact Information* button on the home page. You can also make updates using the *Member Information Change* form found on the *Forms* page of our website.
- **Is your beneficiary designation current?** If you have had a life change such as a birth, marriage or divorce since you filed your designation, it is void, and you need to update your beneficiary designation. You can do so in Web Member Services by selecting *Beneficiary Information* under the *My Membership* menu, or using a *Pre-Retirement Beneficiary Designation* form, also found on the *Forms* page our website.

PSRS/PEERS – Growing Strong!

Over the last five years, our total membership has increased by more than 35,000 to a total of 307,094 as of June 30, 2023. And more than 107,000 of those members currently receive PSRS/PEERS benefits. For 77 years, we have worked in partnership with Missouri public schools to provide retirement security and peace of mind for our members. We are proud to continue to provide the highest quality service for all our members, from first-year teachers to seasoned retirees.

Growth of PSRS/PEERS Total Membership

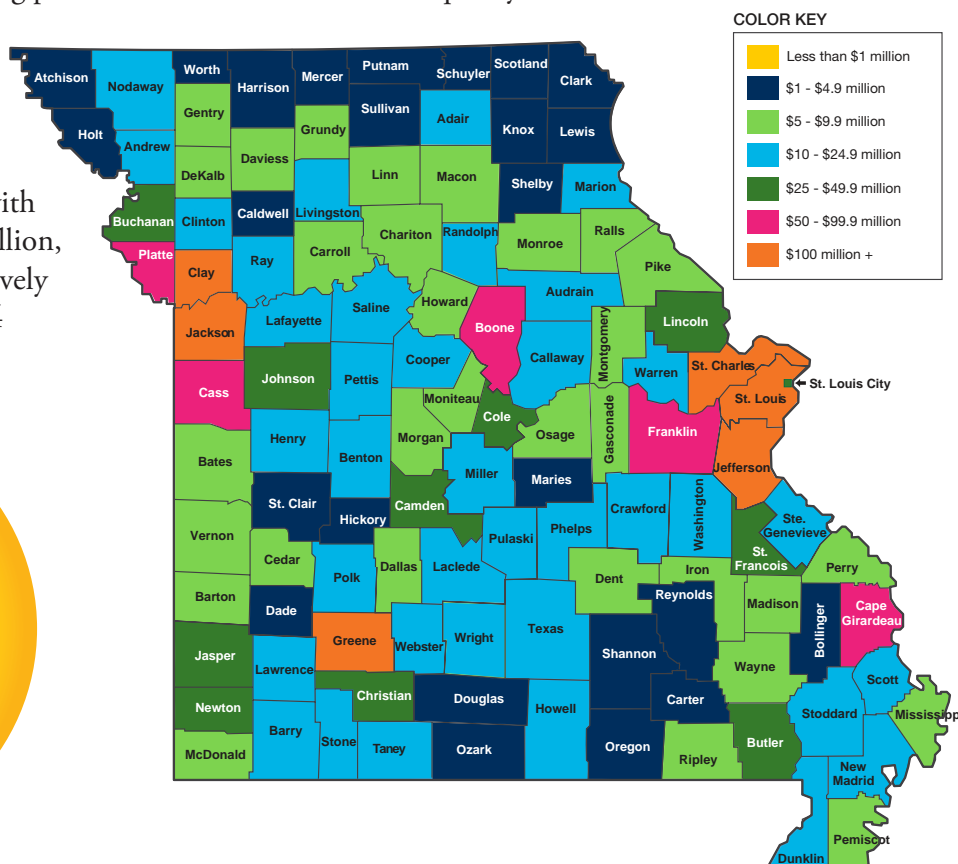
2018-2023



PSRS/PEERS Benefits are Good for Missouri

PSRS/PEERS benefits help our retirees enjoy financial security in retirement. What's more, the steady, reliable retirement income our benefits provide makes a sizable financial contribution to our state, fueling Missouri's local and state economies, and helping public schools attract and retain quality educators and staff.

As of June 30, 2023, approximately 107,000 individuals were receiving PSRS/PEERS benefits. Total annual benefits paid during the 2022-2023 school year were over \$3.6 billion, with 88% of that amount, almost \$3.2 billion, paid to Missouri residents and positively impacting local economies in all 114 Missouri counties.



To see the positive impact made by PSRS/PEERS benefits in your county, visit the interactive Benefits by County map found on our website, www.psr-peers.org. Find the map in the About Us menu under Statistics.

Board of Trustees Election Coming in April

An election will be held in April to fill two seats on the PSRS/PEERS Board of Trustees. One seat is vacant as the result of the departure of Dr. Kyle Collins, who left the Board July 1, 2023 when he retired from PSRS. The other seat is currently held by Katie Webb, whose term ends June 30, 2024.

Candidates for both seats must be active PSRS members. Those who are interested in running are asked to obtain petition forms from PSRS/PEERS, which will be available January 12, 2024. Petition forms must be returned with a postmark no later than February 26, 2024. Petitions must include 200 or more member signatures from each of any four Missouri Congressional districts, plus sufficient additional signatures to total at least 1,000 signatures. All active and retired members of PSRS and PEERS are eligible to sign petitions and vote for candidates.

An auditing committee comprised of representatives from various Missouri educational associations will examine the petitions and certify to the Board that the

candidates are qualified to run. In the event that only two candidates are certified, no election will be required, and those individuals will assume the vacant seats.

In the case of an election, ballots will be mailed by our election services company to all PSRS/PEERS members on April 18, 2024. Written statements from all candidates will be included with your ballot.

Votes placed by paper ballot must be postmarked by May 4. Internet and telephone voting will also be available via our election services company. Instructions will be included on the ballot. Internet and telephone voting will also close on May 4.

The election results will be official and certified on May 17. The winning candidates will serve four-year terms running from July 1, 2024 through June 30, 2028.



Fall Regional Employer Conferences Provide Information, Fellowship and Fun

During September and October, PSRS/PEERS Employer Services traveled the state to meet with our partner employers and catch up face-to-face on all the latest in the world of retirement reporting. Those in attendance were provided reporting updates and other helpful information, as well as time to network with colleagues from other schools.

PSRS/PEERS-participating employers play an extremely important role, as they are tasked with sending us monthly payroll information and contributions for all of our active members. This information allows us to accurately calculate and post service to our members' accounts. Employers also report information for any retirees who return to work for their school district.

This year's conference theme was, *Together Everyone Achieves More*. Conferences were held in Springfield, Branson, Rolla, O'Fallon, Lee's Summit, St. Joseph, Jefferson City and Kirksville.

"We always enjoy seeing our employer contacts and having in-person education like this," said Director of Employer Services Stacie Verslues. "Fall conferences are a great opportunity to gather with fellow payroll personnel and discuss all areas of retirement reporting. We hope everyone was able to gain something valuable from the experience."



Together Everyone Achieves More

Portfolio Manager Jessica Wilbers Recognized by *Institutional Investor* Magazine



Jessica Wilbers

PSRS/PEERS Portfolio Manager Jessica Wilbers has been named by *Institutional Investor* magazine as one of its 2023 Rising Stars.

Institutional Investor's editorial team chose the Rising Stars from a vast and competitive pool of talented allocators nominated by

their peers, bosses and industry experts. The 14 Rising Stars were honored during Institutional Investor's sixth annual Allocators' Choice Awards on September 12, 2023 at the Mandarin Oriental hotel in New York City.

These allocators, who work across the United States in both public and private institutions, are positioned to one day become talented leaders within the institutional investment industry.

Jessica, a public markets portfolio manager, is being recognized for her important contributions to

PSRS/PEERS' non-U.S. equity composite allocation, resulting in additional investment revenue of more than \$1.2 billion to the fund over the past five years. Thanks to Jessica's work, the composite has experienced performance in the top 10% of such funds during that time.

"Jessica displays outstanding manager selection, skillful portfolio construction and the ability to introduce new concepts to our portfolio. She is a dedicated, talented and motivated member of our investment team and she is very deserving of this recognition."

– PSRS/PEERS Chief Investment Officer Craig Husting

Jessica began working at PSRS/PEERS as an investment intern in May 2008. She started full-time in March 2010 and was promoted to portfolio manager – public markets in July 2021. She joins an esteemed group of PSRS/PEERS investment alumni that have previously received this honor including Travis Allen, Dan Case, Ben Frede, Chad Myhre and Chhayhea Sam.

PSRS/PEERS Staff Supports Annual United Way Campaign

Each year, the staff at PSRS/PEERS participates in the annual United Way of Central Missouri's charitable campaign. This year, PSRS/PEERS staff donated a total of \$8,100.00. Funds are raised by donations and through various staff events hosted by the PSRS/PEERS Employee Fund.

"I am immensely proud of our dedicated team, whose generous contributions to the community embody the true spirit of compassion and social responsibility," said PSRS/PEERS Executive Director Dearld Snider. "Their selfless acts exemplify the heart and soul of our organization."

In 2022, PSRS/PEERS staff donated a total of \$7,500 and received the William W. Quigg award for an outstanding United Way campaign (small firm).



Left to right: PSRS/PEERS staff members Tracy Weber, Samantha Kelly, Sophie Pardalos, Amber Ewing, Ashley Raithel and Erin Fouch with United Way representatives, Lee Knernschield and Amber Brondel.

PSRS/PEERS Named One of the "Best Places to Work in Money Management"



PSRS/PEERS has been recognized by *Pensions & Investments (P&I)* magazine as one of the "Best Places to Work in Money Management" for 2023. Winners were recognized in the December 11 issue of *Pensions & Investments* and at an awards ceremony held December 12, in New York City.

Winners of the annual award are selected based on the results of employee surveys conducted by P&I and Best Companies Group, a research firm specializing in identifying great places to work. P&I's annual survey and recognition program are dedicated to honoring the best employers in the money management industry.

"We are proud to receive this honor," said PSRS/PEERS Executive Director Dearld Snider. "We believe PSRS/PEERS is one of the best places to work in the public pension plan space."

This award serves as recognition to the organization and the Board that we have built a great culture and a great place to work. This also sets PSRS/PEERS apart as one of the few public pension plans that have been recognized as one of the best places to work by the premier pension industry source."

"The recognition by P&I is a tremendous distinction. Leadership, past and present, has cultivated an organization that heavily honors the ability to serve the more than 300,000 members of our Systems. Each employee understands the gravity of the work and the people they affect each day; making the workplace one of meaning, value and dedication to the defined benefit promised to our members."

– Dr. Jason Steliga, PSRS/PEERS Board Chair

P&I is a global news source for the money management industry, written for executives at defined benefit and defined contribution retirement plans, endowments, foundations and sovereign wealth funds, as well as investment management and other investment-related firms. P&I provides timely coverage of events affecting the money management and retirement businesses.

Formal Bill Signing Held at Governor's Office

On September 6, 2023, Governor Parson held a formal bill signing ceremony for legislation passed during the 2023 Missouri legislative session that positively impacted PSRS/PEERS members. Changes include restoring the 2.55% PSRS benefit factor for new retirees and increasing retiree work limits for both Critical Shortage Employment and PSRS retirees working in non-certificated positions.

From left to right: House Pensions Committee Chairman Barry Hovis, PSRS/PEERS Chief Counsel Mike Moorefield, PSRS/PEERS Executive Director Dearld Snider, a constituent of Senator Rusty Black and Senator Rusty Black.



Web Member Services Makes Getting Your Membership Information Easy

The quickest way to get the latest information about your membership is to view it online using Web Member Services, the PSRS online, self-service membership information portal.

You can register for secure access to view and update your personal information anytime on our website, **www.psrs-peers.org**. Just use the *Member Log In* link at the top right corner of the screen.

In Web Member Services you can:

- Update your contact information and set your communications preferences
- Update your beneficiary designations
- See when you are eligible to retire and the benefit formula(s) for which you are eligible
- Estimate your future retirement benefits, and save your estimates for reference

- Register to attend a member education meeting or make an appointment with a counselor
- Estimate the cost to purchase service and view the status of any open service purchases you may have
- Apply for service retirement
- View your contributions and interest, years of service and salary history
- Upload documents
- View an archive of your annual ***Member Statements***

Enjoy the benefits of having membership information at your fingertips. Register for Web Member Services access today!

